

Client Alert

Court Blocks Department of Labor’s New Overtime Regulations Scheduled to Go Into Effect December 1, 2016

November 28, 2016 – On November 22, the U.S. District Court for the Eastern District of Texas, issued a nationwide preliminary injunction, preventing the United States Department of Labor (“DOL”) from implementing its new rule that was intended to tighten existing overtime regulations by increasing the salary threshold necessary to qualify for one of the “white collar” exemptions from overtime compensation under the Fair Labor Standards Act (“FLSA”). As we advised in our prior Alert ([available here](#)), the DOL’s new rule was scheduled to go into effect on December 1, 2016, and would have required anyone classified as exempt from the overtime provisions of the FLSA to earn at least \$47,476 annually in order to pass muster as exempt from Act’s overtime requirements. Under current Federal regulations, employees need only earn \$23,600 annually in salary to qualify for the professional, administrative or executive exemption under the FLSA (assuming the existence of other indicia of exempt status). Some states, including New York, have a higher salary threshold already in place. Although the issuance of the injunction blocks the DOL’s overtime expansion regulation from taking effect on December 1, 2016, it remains unclear how an appeal of that injunction or other litigation—as well as potentially contrary efforts of a new administration—will impact the implementation of the upgraded salary threshold in the future. We will continue to monitor breaking developments and update you as they occur.

If you have any questions on the injunction, or any other employment related issue, please contact:

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